

Stacey Crowley:

Good afternoon, I'm Stacey Crowley the Director of the Nevada State Office of Energy. This hearing is being conducted to afford all interested parties a reasonable opportunity to comment upon proposed regulation R125-11 regarding the amendment of R094-10. I am conducting this hearing today in Carson City with video conference to Las Vegas. Please be sure to sign-in.

Can you introduce yourself? I know we have seen you across the video again.

Douglas Brooks, NV Energy:

Your audio is a little muddy. My apologies. Douglas Brooks appearing for NV Energy.

Stacey:

Great. Thanks, Doug. Please also put Wes Henderson.

If you have written comments please provide those. Do either of you have written comments? There are handouts that include a copy of the proposed regulations, LCB R125-11 versions dated Jan. 23, 2012 and July 19, 2012, copies of comments received in response to the proposed regulations and final proposed amendments to R125-11 version dated July 19, 2012.

I have with me Cassandra Joseph who is our deputy attorney general and Suzanne Martens who is the program manager for the renewable energy tax abatement program.

This is what's happened to date, we had an informal stakeholder session that was held on May 29, 2012 . We held a public workshop on June 7, 2012 to solicit comment on the proposed regulation. We had an adoption hearing that was held on July 25, 2012, but additional comments were received after the hearing. The additional comment warranted a revision to the regulations.

Pursuant to NRS 701.220 subsection 5, the Director must conduct at least one hearing, after giving 30 days' notice, before adopting any regulations pursuant to this section. In your handouts, we have provided you a copy of one, the hearing notice, two the LCB file number R125-11v2 dated 01/23/12, LCB file number R125-11 v7 dated 07/19/12, NRS 701A.360-390, the fifth item is a copy of all comments that we have received regarding this matter, and the final is a copy of Final Proposed Amendments to LCB File R125-11 dated July 19, 2012.

Doug do you have a copy of that information with you there?

Douglas Brooks:

Yes, I do.

Stacey Crowley:

We've provided 30-day written notice in advance of this hearing to inform the public of the general topics to be discussed; namely, the amendment of R094-10 to implement the provisions of NRS 701A.300- 390. Copies of the hearing notice can be found in the packets and are also available on the website at www.energy.nv.gov. After each hearing, the minutes of the hearing will be posted within 30 days to allow members of the public to review the minutes.

We will be taking comments in the order as you have signed in. Your written comments may also be submitted in addition to or in lieu of speaking today.

This hearing is to propose the adoption, amendment or repeal of regulations pertaining to Chapter 701A of the Nevada Administrative Code (NAC). Specifically, I propose to amend the uncodified regulation LCB File Number R094-10, relating to energy-related tax incentives; requiring the Director of the Office of Energy to assume the duties of the Nevada Energy

Commissioner with respect to energy-related tax incentives; and providing other matters properly relating thereto.

The final proposed amendments are contained in the document titled Final Proposed Amendments to LCB File No. R125-11 dated July 19, 2012. A copy of which is available here in the room.

The proposed amendments concern two sections as follows: The first amendment is to Section 15 of R125-11, which amends Section 26(1)(g) of uncodified R094-10, to clarify which owned and leased power tools may be eligible for the sales and use tax abatement. The second amendment is to Section 13 of R125-11, which amends Section 24(2)(a) of the uncodified R094-10, and removes the clause “over the course of the second quarter of construction.”

We will now take public comments on this matter. Any comments in Vegas?

Douglas Brooks:

No comments. Thank you.

Stacey Crowley:

Ok. Any comments here in Carson City. Brent Keele just joined us. There are no comments.

In summary, the final amendments proposed today will amend Sec. 26.1 and 24.2.a of proposed amendments in LCB File No. R094-10.

I am going to read them into the record and you should have a copy of these.

Section 26.1.g should read:

Power tools and motorized heavy equipment, including, without limitation, bulldozers, graders, loaders and other similar equipment, if the power tools or motorized heavy equipment is specifically purchased for exclusive use on the site of the facility and will remain on the site of the facility throughout the operation of the facility, or is specifically leased for exclusive use on the site of the facility and will remain on the site of the facility throughout the construction of the project or operation of the facility;

The proposed amendment at Sec. 26.1 was addressed in detail during the hearing held on July 25, 2012, and limits tax abatement on purchased or leased equipment for the time that equipment is used for the project.

Section 24.2.a should read:

To be a full-time employee working on construction of the facility if the applicant establishes that the employee works or was regularly scheduled to work an average of 35 or more hours per week while engaged in activity that furthers construction of the facility.”

This section of the regulations defines a full-time employee working on the construction of the facility for purposes of establishing a minimum number to comply with the eligibility requirements of this tax abatement program. This was also discussed in detail during the hearing held on July 25, 2012. It is NOT our intent to require an employee to be working on the construction of the facility throughout the entire second quarter of construction in order to be counted as a full-time employee working on the construction of the facility.

Having carefully considered all public comment and the effect of the proposed amendments on the abatement program, I hereby

adopt the proposed changes to R094-10 as set forth in the Final Proposed Amendments to R125-11 dated July 19, 2012.

Thank you, this hearing is adjourned at 2:12.